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June 13, 1949

S/P Staff Meeting with Mr. Braden
June 16 to ~~Discuss~~ Inter-American Relations

Mr. Braden has been requested to comment specifically on the political problem of courses of action that might bring about more rapid progress toward representative government in Latin America; the economic problem of strengthening the national economies of the other American republics; and the military problem of hemisphere defense and security.

Comment from the field so far indicates a consensus that the Latin Americans themselves must solve their political problems, and that practical action by the U.S. in all probability will be most effective in helping to raise the educational level and the standard of living. (Germany may be cited as the outstanding example of the fact that education and economic welfare do not necessarily mean a type of government devoted to individual rights and civil liberties and willing to deal with other countries in a tolerant spirit of accommodation.) Some field comment is to the effect that the United States must exercise leadership by openly and continuously supporting our own principles of individual worth and basic freedoms, and by cooperating in a recognizably greater degree with those Latin American governments which share our views. There seems to be general agreement that our present recognition policy is sound, with some emphasis on the importance of avoiding either too hasty or too long delayed recognition. There also is some opinion that recognition should be made contingent upon the calling of free elections by a de facto government.

There is much difference of opinion everywhere regarding the economic problem. About the only general meeting ground is agreement that improved living standards and strengthened national economies are essential to political stability and progress toward representative government. Many of the comments deal with the absence of social conscience on the part of dominant minorities in Latin America, and the absence

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of an educated middle class which is deemed essential for the growth of representative government. The present planning in the U.S. in connection with Point 4 seems to be trending toward approval of some sort of government guarantee to U.S. capital invested abroad. As concerns Latin America, ARA is generally opposed to such a guarantee. I personally agree with the ARA position, and doubt the feasibility or desirability of going beyond an effort to do more than to protect U.S. interests against expropriation without prompt, adequate and effective compensation and against unfair discrimination in the field of exchange controls.

Hemisphere defense and security involve implementation of the Rio Treaty, the security requirements of the U.S., and the direct relationship between military establishments in Latin America on the one hand and the undue financial burden of armament and the involvement of armed forces in politics on the other hand.

GHB

George H. Butler

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